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Message Text

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INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 CIAE-00 INR-07

L-03 ACDA-07 NSAE-00 PA-01 PRS-01 USIA-06 TRSE-00

SAJ-01 SAM-01 /066 W
---------- 070169
R 081706Z JUL 76
FM AMEMBASSY LISBON
TO SECSTATE WASHDC 7767
SECDEF WASHDC
JCS WASHDC
CNO WASHDC
CINCUSNAVEUR
USNMR SHAPE BRUSSELS
EUCOM VAIHINGEN GER
USCINCEUR VAIHINGEN GER
USMISSION NATO
CINCLANT NORFOLK VA

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 4590

E.O. 11652: GDS
TAGS: MARR, PO
SUBJECT: PORTUGUESE FORCE MODERNIZATION: THE NAVY

REF: (A) USDAO LISBON IR 6-879-0261-76 (DTG 301700Z APR 76)

SUMMARY: THE PORTUGUESE NAVY (PN) IS INCLUDED FOR LIMITED ASSISTANCE IN THE FORCE MODERNIZATION PROGRAM. IT DOES NOT, HOWEVER, FEEL IT IS GETTING THE ATTENTION REPRESENTED BY THE RECENT ARRIVAL OF TANKS AND APC'S FOR THE ARMY. THE PN WISHES TO REMAIN A BLUE WATER NAVY. IN ORDER TO DO SO, IT MUST RETAIN AN OPERATIONAL LINK TO NATO. FACED WITH AN INTERNAL THREAT FROM LEFTISTS, THE PRO-WEST LEADERSHIP COUNTS ON ITS NATO PARTNERS TO HELP WITH A MODERNIZATION PROGRAM THAT WILL ALLOW IT TO CONTINUE AS A BLUE WATER NAVY. IN THE PN'S VIEW, THE KEY TO THE SITUATION IS THE ACQUISITION OF SIX MODERN FRIGATES. THE US INTEREST IS TO HAVE A PN SMALL
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ENOUGH TO BE ECONOMICALLY SUPPORTABLE, LARGE ENOUGH TO

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CARRY OUT NATO REQUIREMENTS, AND ABOVE ALL, A NAVY TIGHTLY LINKED TO THE ATLANTIC ALLIANCE. WE HAVE MAJOR QUESTIONS CONCERNING THE MODERNIZATION PROGRAM AND RECOMMEND THAT A REALISTIC DIALOGUE BE BEGUN NOW WITH THE PN, THAT THE NATO FORCE GOALS BE CONSIDERED IN THE LIGHT OF THE MODERNIZATION POSSIBILITIES, AND THAT WE STUDY THE LINK BETWEEN THE MODERNIZATION PROGRAM AND A FUTURE AZORES AGREEMENT. END SUMMARY.

1. THE NAVY PROBLEM: THE PORTUGUESE NAVY (PN) IS INCLUDED IN THE FORCE MODERNIZATION IMPACT PROGRAM FOR LIMITED UPGRADING OF ITS DEALEY CLASS FRIGATES. HOWEVER, FOR REASONS OF TRADITION AND ORIENTATION IT FEELS IT HAS THE STRONGEST NATIONAL LINK TO NATO OF THE THREE PORTUGUESE ARMED FORCES. ACCORDINGLY, IT DOES NOT THINK IT IS GETTING THE ATTENTION DEDICATED TO THE ARMY REPRESENTED BY THE RECENT ARRIVAL OF APC'S AND TANKS FOR THE NATO-EARMARKED BRIGADE.

2. A BLUE WATER NAVY: FACING THE FUTURE IN A POST-CAETANO/SALAZAR PORTUGAL, AND HAVING TERMINATED ITS OVERSEAS ORIENTATION, THE NAVY HAS REDEFINED ITS MISSION AND PRIORITIES (REFTEL). GIVEN ADEQUATE MEANS, ITS MISSION WILL ENCOMPASS CONTINUED NATO COOPERATION, COASTAL PATROL, AND FISHERIES/OFFSHORE RESOURCES PROTECTION. THE NAVY BELIEVES IT HAS A VALID AND IMPORTANT NATO ROLE, AND DOES NOT WANT TO BE RELEGATED TO COAST GUARD-TYPE DUTIES. FOR REASONS OF PRIDE, HISTORY AND SURVIVAL, LEAD NAVY TO STRESS ITS BLUE WATER MISSION. THE NAVY REALIZES THAT IF IT IS TO RETAIN A BLUE WATER CAPABILITY AND CONTINUE AS AN UP-TO-DATE ORGANIZATION ABLE TO ATTRACT FIRST RATE OFFICERS AND MEN IT MUST CONTINUE A VIABLE AND VISIBLE LINK TO NATO. THE NATO ROLE PROVIDES A MEANINGFUL MISSION, KEEPS THE NAVY TACTICALLY AND TECHNOLOGICALLY ON ITS TOES, AND OFFERS THE POSSIBILITY OF AID FROM ECONOMICALLY POWERFUL ALLIES. THESE ARE THE REASONS THAT LED THE NAVY AT CONSIDERABLE COST IN TIME, MONEY, AND PERSONNEL TO MAINTAIN ITS COMMITMENT TO THE STANDING NAVY FORCE ATLANTIC (STANAVFORLANT) DURING THE WORST DAYS OF THE PRO-COMMUNIST SURGE FOLLOWING THE APRIL 1974 COUP.

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3. ADM SOUTO CRUZ'S PROBLEM: THE PRESENT NAVY CHIEF, ADM SOUTO CRUZ, IS A COMPETENT PRO-WEST OFFICER. AS HE LEADS THE NAVY TOWARDS ITS NEW ROLE, SOUTO CRUZ IS ENGAGED IN A STRUGGLE AGAINST NAVY LEFTISTS, WHO STILL RETAIN UNDUE INFLUENCE IN THE NAVY. TO MAINTAIN HIS OWN CREDIBILITY AND THAT OF HIS PRO-NATO COLLEAGUES' HE NEEDS TO DELIVER THE GOODS. CONVERSELY, AN INABILITY TO DELIVER MAY ULTIMATELY CORRODE HIS POSITION AND OPEN THE WAY

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FOR THE SMALL ANTI-NATO NAVY ELEMENT. SOUTO CRUZ IS DEPENDING ON THE ALLIES TO HELP. IF SOUTO CRUZ SHOULD RETIRE, HE WOULD LIKELY BE SUCCEEDED BY THE PRESENT VICE CHIEF, WHO IS LESS RESPECTED BY PRO-NATO OFFICERS.

4. STATUS OF EQUIPMENT: WITH ITS CURRENT FLEET, THE NAVY IS MARGINALLY EQUIPPED TO PROTECT ITS ECONOMIC AND SOVEREIGN SEAS. IT HAS AN ADEQUATE SUBMARINE FORCE OF THREE UNITS. ITS ANTI-MINE FORCE IS ESSENTIALLY DEAD, AND THE THREE DEEP WATER (DEALEY CLASS) FRIGATES ARE QUITE LITERALLY NO LONGER ABLE TO KEEP UP WITH THEIR STANAVFORLANT SISTERS. THESE FRIGATES ALSO SUFFER FROM MAJOR DEFICIENCIES IN ASW AND ELECTRONICS CAPABILITY.

5. THE NAVY NOTES THAT NATO FORCE PLANNING FORESEES A WARTIME CONTRIBUTION BY PORTUGAL OF 2 FRIGATES. THE PN NOW HAS A HARD TIME PROVIDING ONE FRIGATE FOR STANAVFORLANT.

6. MARITIME PATROL AND ANTI-SHIPPING. IT SHOULD BE EMPHASIZED THAT ANYTHING MILITARY THAT FLIES IN PORTUGAL IS OPERATED BY THE AIR FORCE. THE AIR FORCE CONTROLS THE P-2 MARITIME PATROL SQUADRON AND WILL FLY THE P-3'S PLANNED FOR THE FUTURE. THE SAME APPLIES TO ANTI-SHIPPING AIRCRAFT AND MINESWEEPING HELICOPTERS. GIVING PORTUGAL AIRCRAFT CAPABILITY RELATED TO MARITIME MISSIONS DOES NOT HELP THE NAVY AS AN INSTITUTION.

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L-03 ACDA-07 NSAE-00 PA-01 PRS-01 USIA-06 TRSE-00

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FM AMEMBASSY LISBON
TO SECSTATE WASHDC 7768
SECDEF WASHDC
JCS WASHDC
CNO WASHDC
CINCUSNAVEUR

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7. PROPOSED FRIGATE SOLUTION: THE KEY ELEMENT IN THE PN MODERNIZATION PLAN IS THE PROPOSAL FOR THE ACQUISITION OF SIX MODERN FRIGATES. THE NAVY FAVORS THE BRITISH TYPE 21, FOR REASONS OF ECONOMY, ABILITY TO MEET NATO ROLES, AND LOW MANNING REQUIREMENTS. THE GOVERNMENT OF PORTUGAL IS IN NO CONDITION TO BUY EXPENSIVE MODERN FRIGATES LIKE THE TYPE 21 AND HOPES ITS ALLIES CAN COME UP WITH EITHER MONEY OR A VIABLE ALTERNATIVE.

8. THE US INTEREST: THE US INTEREST IS THAT PORTUGAL HAVE A NAVY SMALL ENOUGH TO BE ECONOMICALLY SUPPORTABLE, LARGE ENOUGH TO CARRY OUT NATO FORCE GOALS REQUIREMENTS, AND, ABOVE ALL, A NAVY TIGHTLY LINKED TO THE ANLANTIC ALLIANCE. THE STRATEGIC GEOGRAPHIC LOCATION OF MAINLAND PORTUGAL, ITS ATLANTIC ISLANDS, AND ITS EXAMPLE AS A NATO NATION WHICH HAS OVER-THROWN A DICTATORSHIP, RESISTED A STRONG COMMUNIST CHALLENGE, AND MOVED STEADILY TOWARDS A CONFIDENTIAL

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MODERATE DEMOCRATIC SYSTEM ALL MAKE IT A DESIRABLE NATO PARTNER. THE ROLE OF THE ARMED FORCES IS FUNDAMENTAL TO THE CONTINUATION OF PORTUGAL AS AN ACTIVE NATO MEMBER. AN ACTIVE OPERATIONAL ROLE IS NECESSARY IF THE ARMED FORCES ARE TO BE ORGANIZATIONALLY AND SPIRITUALLY CLOSE TO THEIR NATO COUNTERPARTS.

9. US OBJECTIVES: OUR POLITICAL OBJECTIVE IN ASSISTING THE PN IS TO HELP THE NAVY AND PORTUGAL MAINTAIN A STRONG AND CREDIBLE OPERATIONAL LINK TO NATO. OUR MILITARY OBJECTIVE IS TO MAKE POSSIBLE A REALISTIC NAVY CONTRIBUTION TO THE ALLIANCE. WE CONTINUE TO GIVE THE NATO-EARMARKED COMBINED ARMS BRIGADE FIRST PRIORITY BECAUSE THE ARMY, WITH ITS INTERNAL DEFENSE CAPABILITY WILL, FOR THE FORESEEABLE FUTURE, BE THE ULTIMATE POLITICAL ARBITER IN PORTUGAL. THE AIR FORCE, IN TURN, IS THE MOST PRO-WESTERN SOURCE AND HAS PLAYED AN IMPORTANT AND EFFECTIVE ROLE IN TURNING BACK THE COMMUNISTS. NEVERTHELESS, THE NAVY PROBLEM IS SERIOUS, AFFECTS OUR INTERESTS DIRECTLY, AND SHOULD BE ADDRESSED AS SOON AS POSSIBLE. SOUTO CRUZ'S LONGEVITY IN OFFICE MAY DEPEND ON OUR MEETING THIS OBJECTIVE; HIS EARLY RETIREMENT MAY INHIBIT IT.

10. MAJOR QUESTIONS, MANY TECHNICAL, REGARDING THE FUTURE

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OF THE NAVY REMAIN UNANSWERED. FOR EXAMPLE:
-- WHAT WOULD BE A REALISTIC FUTURE PN NATO MISSION? TO WHAT EXTENT ARE WE AND THE ALLIES PREPARED TO SUPPORT PORTUGAL IN MEETING THIS MISSION?
-- HOW CAN PN NATIONAL MISSIONS BE LINKED TO NATO FRAMEWORK?
-- DOES THE TYPE 21 FRIGATE IN FACT REPRESENT THE OPTIMUM SOLUTION FOR THE PN PROPOSED FORCE MODERNIZATION? IF NOT, WHAT ARE THE ALTERNATIVES?
-- CAN THE DEALEY CLASS FRIGATES CONTINUE TO MEET THE STANAVFORLANT AND OTHER NATO REQUIREMENTS DESPITE THEIR DEFICIENCIES? CAN THEY BE MODERNIZED OR UPGRADED?
-- WHAT FUTURE ASSISTANCE CAN THE PN EXPECT FROM THE US? FROM THE OTHER ALLIES?
-- WILL THE AZORES BASE AGREEMENT NEGOTIATIONS BE USED TO SEEK MODERN EQUIPMENT? HOW WILL THE US RESPOND?

11. RECOMMENDATION: (A) WE SHOULD UNDERTAKE A REALISTIC DIALOGUE ON THE NAVY'S ROLE, ITS FUTURE NEEDS, AND THE
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LIKELIHOOD OF MODERNIZATION ASSISTANCE FROM THE NATO PARTNERS. DESIGNATION OF RADM SWARTZRAUBER AS SACLANT'S SINGLE POINT OF CONTACT FOR PORTUGAL AND HIS RECENT VISIT TO LISBON HAS LAID THE GROUNDWORK FOR GETTING THIS EFFORT OFF TO A GOOD START. SOUTO CRUZ'S JULY MEETING WITH THE CNO AND SUBSEQUENT VISIT TO WASHINGTON SHOULD BE USED TO UNDERLINE OUR WILLINGNESS TO UNDERTAKE AN INTERCHANGE ON THE NAVY'S PROBLEM. THE SACLANT FORCE PLANNING CONSULTATIONS WITH THE PN ON JULY 14-15 AND THE VISIT OF THE US SURVEY TEAM AFTER SEPTEMBER 10 WILL HELP ANSWER THE MANY TECHNICAL AND PROFESSIONAL QUESTIONS REGARDING THE NAVY'S FUTURE AND PROVIDE ESSENTIAL DATA FOR USE BY THE NATO AD HOC GROUP FOR ASSISTANCE TO PORTUGAL.

(B) THE JULY SACLANT FORCE PLANNING CONSULTATIONS, TO THE EXTENT POSSIBLE FOR A STAFF LEVEL VISIT, SHOULD ADDRESS THE ISSUE OF PORTUGAL'S MARITIME ROLE IN THE ALLIANCE AND RECOMMEND A FORCE STRUCTURE PORTUGAL CAN SUSTAIN AND THE ALLIANCE WOULD BE WILLING TO HELP FINANCE.

(C) AN EFFORT SHOULD START NOW TO STUDY THE LINKAGE BETWEEN THE NAVY MODERNIZATION PROGRAM AND A FUTURE AZORES AGREEMENT.

12. EMBASSY REQUESTS COMMENT FROM ADDRESSEES ON ABOVE RECOMMENDATIONS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NAVAL FORCES, REPORTS, SURVEYS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LISBON04590
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760264-1055
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760780/aaaacscy.tel
Line Count: 273
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 30 OCT 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 OCT 2003 by GarlanWA>; APPROVED <06 JAN 2004 by morefirh>
Review Markings:

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Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PORTUGUESE FORCE MODERNIZATION: THE NAVY
TAGS: MARR, PO, US, GE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006